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Message Text

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ACTION AF-06

INFO OCT-01 ISO-00 FEA-01 AGR-05 CEA-01 CIAE-00 COME-00

DODE-00 EB-07 FRB-03 H-01 INR-07 INT-05 L-02 LAB-04

NSAE-00 NSC-05 PA-01 RSC-01 AID-05 CIEP-01 SS-15

STR-01 TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01

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R 051430Z JAN 75
FM AMEMBASSY KINSHASA
TO SECSTATE WASHDC 1192

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E.O. 11652: N/A
TAGS: EINV ETRD CG
SUBJ: COUNTRY ELIGIBILITY FOR GENERALIZED PREFERENCES (GSP) UNDER SECS 502(B) (4) AND (6) OF TITLE V OF THE TRADE ACT OF 1974

REF: A. STATE 23113 B. KINSHASA 560

1. MAJOR OUTSTANDING CASE FALLING WITHIN THE INTENT OF REF (A) IS THAT CONCERNING TAKE-OVER LAST YEAR OF MOBIL AND TEXACO DISTRIBUTION AND MARKETING ASSETS AND OPERATIONS. REF (B) AND PREVIOUS MESSAGES GIVE HISTORY OF THIS DISPUTE. LATEST INFORMATION IS THAT GOZ IN OPENING COMPENSATION NEGOTIATIONS ON FEB 3 TOOK POSITION THAT MOBIL/TEXACO WOULD BE COMPENSATED ON BASIS OF GOZ'S ASSESSMENT OF BOOK VALUE AND THAT COMPENSATION WOULD BE PAID OVER TEN YEARS. MOBIL/TEXACO WILL ARGUE THAT THIS FORMULA IS NEITHER ADEQUATE NOR PROMPT. THE NEXT SESSION OF TALKS FOR MOBIL WILL TAKE PLACE ON FEB 10 AND TEXACO WILL SIT DOWN WITH GOZ AGAIN ON FEB 17.
EMBASSY WILL WATCH FOR APPROPRIATE OPPORTUNITIES TO WEIGH IN ON MOBIL/TEXACO SIDE. IN MEANTIME, AND IN CONTEXT OF REF (A), WE CAN SAY THAT "GOOD FAITH" COMPENSATION NEGOTIATIONS HAVE
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2. WHILE MOBIL/TEXACO IS ONLY CLEAR-CUT, CURRENT CASE IN DISPUTE, 30 DEC "RADICALIZATION" MEASURES ANNOUNCED BY PRES MOBUTU HAVE ALREADY AFFECTED ON AMERICAN COMPANY (KALICAK, SEE KINSHASA 240) BY REQUIRING IT TO GET MINISTER OF PUBLIC WORKS APPROVAL ON ALL CHECKS DRAWN ON ITS ACCOUNTS. FOR THE TIME BEING THIS SYSTEM OF STATE CONTROL IS WORKING TO KALICAK'S SATISFACTION AND THEU IS NO DISPUTE. OTHER US INTERESTS, HOWEVER, MAY BE AFFECTED IN THE FUTURE UNDER THE 30 DEC MEASURES -- MOST LIKELY THROUGH SOME FORM OF STATE CONTROL/CURTAILMENT OF MANAGEMENT PREROGATIVES. OUTRIGHT NATIONALIZATION IS NOT TO BE RULED OUT, BUT WE WILL HAVE TO WAIT AND SEE WHAT THE "RADICALIZATION" OF THE REVOLUTION MEANS IN PRACTICE.

3. RE PARA 6 REF (A), EMBASSY IS ALREADY ENGAGED IN ASSISTING MOBIL/TEXACO, THE ONLY ACTIVE COMPENSATION NEGOTIATING, AND SEES NO ADVANTAGE AT THIS POINT IN MAKING APPROACH TO GOZ OVER 30 DEC MEASURES UNTIL AND UNLESS US BUSINESS/ PROPERTY INTERESTED ARE DIRECTLY AFFECTED AND COMPANIES INVOLVED REQUEST OUR INTERVENTION.
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